1	2	3	4	5
3.	Orissa	—	118.89	—
4.	Himachal Pradesh	112.75	—	112.75
5.	Meghalaya	86.01	—	86.01
6.	Andhra Pradesh	36.31	179.31	141.73
7.	West Bengal	357.99	157.59	187.63
8.	Tamil Nadu	23.89	187.18	149.44
9.	Maharashtra	44.95	133.09	124.70
10.	Punjab	46.86	208.79	154.97
11.	Gujarat	129.71	172.53	171.65

*DG Sets

Agreement With SEBs

2590. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of POWER be pleased to state:

(a) whether Government proposes to enter into agreements with State Electricity Boards throughout the country for payment guarantees for drawing power from national power distribution agencies;

(b) if so, the details thereof;

(c) whether the views of SEBs on such agreements have been obtained; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) and (b) The Government of India has recently approved a modified scheme to securitise the outstanding dues payable by the State Electricity Boards (SEBs) to the Central Public Sector Undertakings (CPSUs) as on 30.9.2001 for supply of power and coal and a mechanism that would ensure payment of current dues in future. The scheme for securitisation of

outstanding dues of SEBs as on 28-2-2001 was circulated earlier to the States in August, 2001.

The salient features of the scheme, now approved, are:

(a) The scheme would come into force from the date of orders or from the date when the State Governments sign the tripartite agreement (with the Ministry of Finance in the Government of India and the Reserve Bank of India), whichever is later.

(b) For the states participating in the scheme, 60% of the interest/ surcharge on the delayed payments as on 30-09-2001 would be waived off.

(c) The rest of the dues amounting to the full principal amount as well as the remaining 40% of the interest/surcharge will be securitised through bonds issued by the respective State Governments.

(d) The bonds will be issued through RBI at a tax-free interest rate of 8.5% per annum. The terms of bonds should be structured to achieve a moratorium of 5 years on repayment of principal with the entire principal being repaid between the 6th and 15th year. These bonds will be identical to bonds issued in connection with the market borrowings of State Governments, with the attendant discipline in repayments. The bonds will be subject to lock-in restrictions that will allow release of only 10 per cent of the bonds in the secondary market each year.

(e) For ensuring timely payment of current dues in future, defaults in current payment for power/fuel will attract a graded reduction in the supply of power from central power stations and in coal supplies. Where such defaults exceed 90 days from the date of billing, the Ministry of Finance will recover these dues through adjustment against releases due to them from the centre.

(f) In order to initiate steps towards reform of the sector, the SEBs shall accept reform based performance milestones such as setting up of SERCs, metering of distribution feeders, improvement in revenue realization specified in the MOUs to be signed with the Ministry of Power.

(g) The States will be offered incentives for complying with the scheme. If SEBs do not default on their current dues and adhere to the performance milestones, CPSUs will pay them, bi-annual cash incentives equal to 3 per cent of the value of bonds in the first year, 2.5% in the second year and 2% in the third and fourth years. Further, if SEBs open and maintain Letters of Credit (LCs), CPSUs should pay them a one time cash incentive equal to 2 per cent of the value of bonds. In addition, States undertaking reforms will also be assisted through Accelerated Power Development and Reform Programme (APDRP) grants and discretionary allocation of power.

(h) The States that withhold their consent beyond 60 days after this scheme enters into force will be denied any share in the discretionary allocation of 15 per cent from the power stations of CPSUs, as well as any assistance under APRDP. If the overdues of such States exceeded Rs. 50 crore in respect of any CPSUs, they will also attract reduction in power and coal supplies, as applicable to the States participating in this scheme.

(i) The scheme covers the outstanding dues of payable by the SEBs to the National Thermal Power Corporation (NTPC), National Hydro-electric Power Corporation (NHPC), North Eastern Power Corporation (NEEPCO), Damodar Valley Corporation (DVC) and Power Grid Corporation of India Ltd. (PGCIL) under the Ministry of Power, Coal India Limited (CIL) and its subsidiaries and Neyveli Lignite Corporation (NLC) under the Department of Coal, Nuclear Power Corporation (NPC) under the Department of Atomic Energy and the Ministry of Railways.

(c) and (d) The state governments have been apprised of the scheme for one-tie settlement of SEBs dues on 03-08-2001. Andhra

Pradesh and West Bengal have singed the tripartite agreement. The following States have given their consent 'in-principle' to sign the agreement:

(1) Chhattisgarh	(2) Haryana
(3) Jammu and Kashmir	(4) Kerala
(5) Karnataka	(6) Madhya Pradesh
(7) Maharashtra	(8) Punjab

Techno-economic clearance to Naphtha based liquid fuel power project at Hassan in Karnataka

2591. SHRI H.K. JAVARE GOWDA: Will the Minister of POWER be pleased to state:

(a) whether Techno-Economic clearance by CEA for Naphtha based liquid fuel power project, Hassan (Karnataka) cleared, if so, the details thereof; and

(b) by when Hassan Power Project is expected to start?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) No, Sir. The Techno Economic Clearance (TEC) by Central Electricity Authority (CEA) to the 189 MW Hassan Power Project of M/s. Hassan Power Supply Co. Ltd has not been issued due to non-availability of inter-state clearance of water availability from the Central Water Commission and also reduction in the completed capital cost of the project. The Central Ground Water Authority has since given clearance to the project on 14.2.2002 for tapping of 1.5 mgd ground water. CEA have taken up the matter with the Government of Karnataka for submission of the clarification/details on the following:—

(i) Acceptability of Naphtha as fuel for the project. The new IPP (Independent Power Producer) policy issued by the Government of Karnataka does not encourage Naphtha based projects.